

Service Date: October 31, 1990

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER of the Application)	UTILITY DIVISION
of US West Communications for)	
Forbearance of Rate Regulation)	DOCKET NO. 90.10.70
Re: AgriBasics)	
<hr/>		ORDER NO. 5509

FINAL ORDER

FINDINGS OF FACT

On October 17, 1990, US West Communications (USWC) filed an application with the Montana Public Service Commission (Commission or PSC) requesting forbearance of rate regulation for intraLATA Message Telecommunications Service (including four call types and collect billing), Outward wide Area Telecommunications Service (WATS) and WATS 800 Service for AgriBasics, Great Falls, Montana, with customer locations in the following cities: Great Falls, Choteau, Belgrade, Moore, Hardin, Billings, Cut Bank, Geraldine, Sidney, Lewistown, Havre, Dutton, Miles City, and Ryegate. USWC makes its application pursuant to Section 69-3-808, MCA.

On October 25, 1990, at a duly noticed work session, the Commission GRANTED USWC's forbearance application based solely upon the contents of USWC's application.

Attached to and referenced in USWC's application was a notarized letter from AgriBasics addressed to USWC, dated October 5, 1990, requesting a proposal for long distance service for direct

dialed calls from USWC. The letter indicated AgriBasics had a proposal from Touch America.

Although the forbearance statute (Section 69-3-808, MCA) may not permit analysis of the economic merits of USWC's discounted sales prices in considering the forbearance application itself, the Commission intends to analyze the merits of such discount prices in later dockets. There is absolutely no evidence in the instant or past forbearance applications that prices resulting from a negotiated contract or contracts for the services listed herein or in past applications will cover relevant economic costs. Further, no economic costs studies have been accepted by this Commission for USWC's toll services (see Order Nos. 5354d and 5354e, Docket No. 88.1.2). Therefore, USWC is hereby put on notice that to the extent any such sales prices resulting from a negotiated contract for the services listed herein fall below the Commission's estimate of relevant marginal costs, the resulting shortfall shall be borne by USWC shareholders.

CONCLUSIONS OF LAW

USWC provides regulated telecommunications services within the state of Montana and is a public utility under the regulatory jurisdiction of the Montana Public Service Commission, Sections 69-3-101 and 69-3-803(3), MCA.

The Commission has authority to supervise, regulate and control public utilities. Section 69-3-102, MCA.

USWC's application contained the information required by Section 69-3-808, MCA and ARM 38.5.2715.

ORDER

USWC is GRANTED FORBEARANCE of rate regulation with respect to the provision of intraLATA Message Telecommunications Service (including four call types and collect billing), Outward wide Area Telecommunications Service (WATS) and WATS 800 Service for AgriBasics, Great Falls, Montana, and AgriBasics' branch locations listed in Finding of Fact No. 1 above.

Done and Dated this 25th day of October, 1990 by a 5 to 0 vote.

BY ORDER OF THE MONTANA PUBLIC SERVICE COMMISSION

HOWARD L. ELLIS, Chairman

DANNY OBERG, Vice Chairman

WALLACE W. "WALLY" MERCER, Commissioner

JOHN B. DRISCOLL, Commissioner

REX MANUEL, Commissioner

ATTEST:

Ann Peck
Commission Secretary

(SEAL)

NOTE: Any interested party may request that the Commission reconsider this decision. A motion to reconsider must be filed within ten (10) days. See 38.2.4806, ARM.